

# ADECCO

## CLIENT SERVICE AGREEMENT

1) **Parties** "Client" means Commonwealth of Kentucky, Department of Education, Office of Career and Technical Education. "Adecco" means Adecco USA, Inc.

WHEREAS, Client runs Cooperative Education Training Program ("Co-Op"), a pre-apprenticeship program under which it recruits, screens, assigns, orients, reassigns, counsels, disciplines, and discharges students who meet Client's criteria, and seeks to place them with companies in the private sector (each a "Company") with which Client has contracted, where such students will perform work under the operational supervision of Company; and

WHEREAS, Adecco provides an administrative service to its clients in which it will, on request, place individuals designated, screened and qualified by such client ("Students") onto Adecco's payroll (herein the "Services"); and

WHEREAS, Client desires that Adecco provide the Services by placing Students selected, screened, and qualified by Client and who will be assigned to perform work at Companies identified by Client;

NOW, THEREFORE, the parties hereto agree as follows

2) **Staffing Services** As Adecco's Services to Client, at Client's request, Adecco will assign certain of its employees ("Students"), with the skills Client requests, to do Company's work under Client's and/or Company's operational supervision. As employer of the Students, Adecco will perform the functions of a staffing firm, including, among others:

- a) Hiring, the Students
- b) Making legally-required employment law disclosures (wage-hour posters, etc.) to them
- c) Paying their wages as an hourly rate provided by Client and overtime based on Client's or Company's description of duties to be performed
- d) Exercising human resources (non-operational) supervision of them
- e) Withholding, remitting, and reporting on their payroll taxes and charges for programs that Adecco is legislatively required to provide (including workers' compensation)
- f) Maintaining personnel and payroll records for them
- g) Obtaining and administering I-9 documentation of Students' right to work in the United States

Adecco will require Students to acknowledge that they will have no right to participate in any Client or Company employee benefit plans. With reasonable notice and frequency, Client may review Adecco's records to confirm that Adecco fulfills Adecco's agreed duties as an employer. Client may use Students only in the capacities for which Client requests them. At Client's or Company's direction, Adecco will remove any Students from assignment.

3) Intentionally omitted.

4) **Confidentiality; Work For Hire** Adecco will obligate Students to keep in confidence any confidential information they might receive or observe on assignment for any Company. At Client's or Company's request, Adecco will require them to sign confidentiality or intellectual property agreements in Company's favor.

5) **Insurance** Adecco will cover Adecco's staffing operations with at least the following types and limits of insurance or other coverage:

- a) Workers' compensation benefits or coverage on the Students, in amounts no less than required by law

- 6) **Rates and Company Agreements** The parties agree that all payments to Adecco will be made by the Company selected by Client. Each of Adecco and Client will enter into their own agreements with each Company for the assignment of the Students and governing their relationship and rights and obligations to each other.

Adecco's agreement with Company (the Company Agreement") shall provide for bill rates, invoicing and payment terms, and shall state Adecco's and Company's obligations to each other. The Company Agreement shall be in substantially the same form as provided in Exhibit A attached hereto and made part hereof, but the final terms of any Company Agreement shall be at the sole discretion of Adecco and Company. In addition, Adecco may, in its reasonable discretion and without penalty or action by Client, elect not to enter into a Company Agreement with any Company for any reason, and elect not to place Students with such Company. Reasonable conditions for Adecco's election not to place Students at a Company may include, without limitation, the Company's credit record, any past or current history Adecco may have with such Company, or the failure of the Company and Adecco to enter into a Company Agreement mutually satisfactory to them.

If Client's straight time rates are not set by a Rate Schedule to this Agreement, Adecco will confirm the rate approved by Client via email to Client at the time of assignment. Rates not agreed to for a stated term may be prospectively changed by Adecco upon notice to Client. Rates reflect a cash/cash equivalent discount of 3%. Any sales, use, value added, or similar taxes that apply to sales to Client will be added to Client's invoices as a separate item.

If any government-mandated cost (such as a required wage, minimum wage, payroll tax, insurance premium, assessment, contribution, benefit, or fee) is imposed, increased, adjusted, or newly introduced with respect to Students assigned to Client, Adecco will notify Client and add it, without markup, to Client's invoices until Client and Adecco adopt a new Rate Schedule.

- 7) **Overtime** Students are presumed to be nonexempt from overtime laws, and overtime worked is presumed to be authorized by Client and Company unless Adecco has agreed with Client and Company to forbid it. Adecco will charge Company premium rates for overtime work only when an Associate's work on assignment to Company, taken alone, would legally require premium overtime pay and Company has authorized, directed, or knowingly allowed the Associate to work those hours. Company's rate for overtime hours will be the same multiple of the bill rate as Adecco is required to apply to the Associate's pay rate.

8) Intentionally deleted

9) Intentionally deleted

- 10) **Responsibilities** Each party will bear or insure only the risks and responsibilities inherent in its own business and, as permitted by law, will be obligated to pay or indemnify the other party only for claims, losses, penalties, and damages to the extent they arise directly from those risks and responsibilities in connection with business done under this Agreement, plus, to the same extent, all reasonable and necessary costs, expenses, and legal fees associated with them. Risks or responsibilities not allocated by the following lists will be borne by each party in proportion to the extent that the risk or responsibility is inherent in that party's business. Adecco will pay or indemnify for obligations arising under Client's risks and responsibilities only to the extent that the payment obligations are caused by Adecco's failure to properly perform its functions as a staffing service under this Agreement.

a) Adecco's risks and responsibilities include:

- (i) Hiring Students designated by Client who are participating in the Co-Op Program legally in accordance with the following laws: Fair Labor Standards Act of 1938, Civil Rights Act of 1964, Age Discrimination in Employment Act of 1967, Americans With Disabilities Act of 1990, Immigration Reform and Control Act of 1986, Vietnam Era Veterans Readjustment Act of 1974, and Rehabilitation Act of 1973
- (iii) Paying Students' agreed upon wages and providing the benefits that Adecco offers to them

- (iv) Paying or withholding all required payroll taxes, contributions, and insurance premiums for programs that Adecco is legislatively mandated to provide to Students as Adecco's employees
  - (v) Providing workers' compensation benefits or coverage for Students in amounts at least equal to what is required by law
  - (vi) Fulfilling the employer's obligations for unemployment compensation
  - (vii) Complying with employment laws, as they apply to Adecco as a staffing firm
  - (viii) Payment for injury to people or loss to property caused by negligent or intentional conduct of Students, to the extent that the injury or loss is caused by Adecco's failure to properly perform the duties of a staffing service
  - (ix) Removing an Associate from assignment at a Company when deemed necessary by Client.
- b) Client's risks and responsibilities include:
- (i) Providing Students with adequate instructions, assistance, supervision, time for performing their assignments and with meal and/or rest breaks required by law
  - (iii) The work and work product of Students in the Client's business or organizational activities
  - (iv) Providing Students with information, training, and safety equipment for any hazardous substances present in Client's operations
  - (v) Ensuring that Client's fringe benefit and employee benefit plans and policies effectively exclude Students from participation
  - (vi) Ensuring that the functions and duties actually performed by Students are accurately reflected in Client's or Company's job description and immediately notifying Adecco if such functions or duties change
  - (vii) The conduct of Client's officers, employees, and agents (except to the extent Client is immune from suit for workplace injuries covered by Adecco's workers' compensation program and suffered on agreed assignments)
  - (viii) The acts and omissions of Students acting under the direction of Client's officers, employees, or agents
  - (ix) Duties imposed by law on recipients of staffing services
  - (x) Protection and security of Client's intellectual property
  - (xi) The products or services of Client's business
  - (xii) Notification to Adecco of all positions filled hereunder that are or become subject to a Wage Determination, federal or state prevailing wage laws, living wage and/or special fringe benefit requirements, including but not limited to the Service Contract Act.
  - (xiii) Losses enabled or enhanced by lack of reasonable supervision, process controls, safeguards, or backups
  - (xiv) Risks arising from the exposure of Students to: cash, credit cards, check-writing materials, or negotiables; keys, merchandise, confidential information, or other valuables; sensitive or unsupervised premises; or passwords, user IDs, combinations, or PINs other than those properly issued to them
  - (xv) Risks arising from Students' being allowed to travel or operate motor vehicles or machinery on assignment
  - (xvi) Entering into its own agreement with Company detailing its arrangement for the placement of Students at Company in accordance with the terms of this Agreement

Client understands and agrees that in connection with Adecco's performance of Payrolling Services, Adecco assumes responsibility solely for administering and processing the payroll functions for the Students, payment of their hourly wages and applicable Adecco-provided benefits, reporting and payment of the employer's share of applicable state taxes, federal taxes, workers' compensation, FICA, and state and federal unemployment insurance. Client understands and agrees that no performance guarantee applies and that Client remains responsible for Students' job performance, work and work product, safety and their actions

A party need not pay the other party for special, indirect, consequential, or lost profit damages suffered directly by the other party. To obtain indemnification, a party must promptly notify the other party, cooperate in resolving the claim, and (when liability to third parties is involved) yield reasonable control of the claim's resolution to the other party. If the parties do not agree on the indemnification obligations attaching to a pending matter, indemnification will not be required until the underlying matter is finally resolved and the facts bearing on indemnification have been reasonably ascertained.

- 11) **Duration** This Agreement will continue in force unless one party gives the other party at least thirty (30) days written notice of its intention to conclude it or until Client notifies Adecco that all Students assigned hereunder have completed the Co-Op program. Adecco may also terminate any Company Agreement for either cause or convenience. Conclusion of the Agreement will end the staffing relationship, but the Agreement will continue to govern the parties' rights and obligations with respect to the business done and the Students assigned before conclusion of the Agreement.
- 12) **Entire Agreement; Amendment** This Agreement and any attachments contain all of the terms between Client and Adecco on the subject of Payrolling Services as part of the Co-Op Program and replaces all prior agreements and representations on the subject. The Vendor Master Agreement between Adecco and the Commonwealth of Kentucky for the provision of temporary staffing services is not amended or otherwise affected hereby. This Agreement may be modified or supplemented only by a signed and dated written amendment referring to it. Forms and other communications that may be used by the parties in their staffing relationship (including purchase orders, timecards, invoice recitals, correspondence, and electronic mail) will not supersede, supplement, modify, or control this agreement. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Kentucky, notwithstanding choice of law principles. The parties agree that any action at law or in equity arising out of or relating to this Agreement shall be filed only in the state or federal courts located in Franklin County, Kentucky, and hereby consents and submits to the jurisdiction of such courts for the purposes of litigating any such action

CLIENT	ADECCO
<u>KY Dept. of Education</u>	<u>ADECCO USA, INC.</u>
By: <u>Dale Winkler</u> Signature	By: <u>Amy Glaser</u> Signature
<u>Dale Winkler</u> Printed Name	<u>Amy Glaser</u> Printed Name
<u>Assoc. Commissioner</u> Title	<u>Regional Vice President</u> Title
<u>4-4-14</u> Date Signed	<u>4-7-14</u> Date Signed